

INFORMATION BULLETIN

WELFARE-TO-WORK

Number: WB00-27

Date: June 29, 2000

Expiration Date: 12/31/00

69:58:cg:3669

TO: SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
WELFARE-TO-WORK 15 PERCENT SUBGRANTEES
DOL WELFARE-TO-WORK 25 PERCENT SUBGRANTEES
COUNTY WELFARE DIRECTORS
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES STAFF
EDD EXECUTIVE STAFF
WORKFORCE DEVELOPMENT BRANCH STAFF

SUBJECT: WtW PERFORMANCE MEASURES

The purpose of this information bulletin is to provide Service Delivery Areas (SDA) and Welfare-to-Work (WtW) subgrantees with information regarding two distinct and separate post-employment follow-up procedures used to measure performance outcomes in the WtW program. The information contained in this bulletin applies to participants in both the 85 percent and 15 percent WtW programs.

As noted in WtW Information Bulletin WB99-53, *WtW Individual Participant Data*, Individual Participant Data (IPD) is used by the State to calculate the measures required for the performance bonus system established by the Department of Labor (DOL) in Training and Employment Guidance Letter 11-97, Change 1, dated February 22, 1999. The SDAs and subgrantees are required to submit their IPD electronically to the State on a monthly basis, along with the Interim Participant Report (IPR). These reports are due by the close of business on the 20th day of the month for the period ending the previous month. The IPR provides an aggregate summary of participants, activities, and outcomes; while the IPD provides the information on each participant that is required to match their record against the base wage file to measure job retention and earnings. Because the data derived from these reports is considered vital to the wage-record matching process, as well as the telephone follow-up survey conducted by the University of California at Berkeley's (UCB), Survey Research Center, it is important that these monthly reports be run at the same time to ensure that they include the same number of participants.

The WtW participants are measured only once during their participation in the WtW program, the first time they enter unsubsidized employment or the first time they receive a WtW service, for those who are working in an unsubsidized job when they enter the program. Further information on these specific measurement tools is provided below.

Measures Used to Evaluate Program Performance

The DOL's Performance Bonus System includes four specific performance measures: the Job Entry Rate, the 30+ Hour Rate, the Job Retention Rate, and the Earnings Gain Rate. The Job Retention Rate and Earnings Gain Rate apply only to clients who are working in an unsubsidized job. These measures are calculated by matching the client's record against the base wage file to obtain information on their total earnings in the base quarter the second subsequent quarter. The base quarter is determined by the client's date of employment, for those clients who enter unsubsidized employment during their participation in the program. For clients who were employed in an unsubsidized job prior to entering the WtW program, the first date they received a WtW service is used to establish the base quarter.

The formulas used to calculate the DOL performance measures are provided below:

- **Job Entry Rate:** The sum of participants working in partially subsidized and unsubsidized employment (Sector Types 2, 3, and 4 on the Employment Record) divided by the total participants served.
- **30+ Hours Rate:** The sum of participants with a first Employment Record showing 30 hours or more worked per week plus the sum of participants with a first Employment Record showing hours worked at less than 30 hours per week, and next Employment Record showing 30 hours or more worked per week divided by the total participants served.
- **Job Retention Rate:** Job retention is defined as an individual that is placed or enters unsubsidized employment who remains in the workforce for 6 months with earnings in the two consecutive quarters following placement. The Job Retention Rate is determined by calculating the sum of participants employed in base quarter who are also employed in the first and second subsequent quarters divided by the sum of all participants employed in the base quarter.
- **Earnings Gain Rate:** The Earnings Gain Rate is applied only to participants that have achieved job retention as described above. The Earnings Gain Rate is determined by calculating the sum of their earnings in the second subsequent quarter minus the sum of base quarter earnings for the same group. The result is then divided by the sum of base wage earnings of these same participants.

Participants counted in the Job Retention and Earnings Gain measures are identified by the Sector Type on the Employment Record. Participants who enter unsubsidized employment for the first time while participating in the WtW program are included in Sector Type 3. For these participants, the date of employment on the Employment Record is used to establish their base quarter and to begin tracking six month retention which is measured by earnings found in the second subsequent quarter. Participants who were already working in an unsubsidized job when they entered the WtW program are identified as Sector Type 4 on the Employment Record. For these participants, the first date participant served on the Monthly Activity Record is used to establish their base quarter and to measure six month retention in the second subsequent quarter. Two examples are provided below to illustrate the base wage matching process.

- **Sector Type 3 Client:** Jane Smith was unemployed when she entered the WtW program on February 1, 1999. She was placed into an unsubsidized job during her participation in the program. Her Employment Record shows that she is recorded in Sector Type 3 (entered unsubsidized employment) and her date of employment is March 5, 1999. Based on her date of employment, her base quarter is January-March 1999. Her second subsequent quarter is July-September 1999. When her record is matched against the base wage file, she would be counted as retained for the Job Retention Rate if earnings were found in each of the two consecutive quarters (April-June 1999 and July-September 1999) following her base quarter. Her Earnings Gain would be measured by subtracting the earnings found in her base quarter (January-March 1999) from her earnings in the second subsequent quarter (July-September 1999) and dividing the result by the earnings found in her base quarter (January-March 1999).
- **Sector Type 4 Client:** Kathy Brown was already working in an unsubsidized job when she entered the WtW program on October 6, 1998. She began receiving job retention services on December 2, 1998. Her Employment Record shows that she is recorded in Sector Type 4 (unsubsidized at entry). Her Monthly Activity Record shows December 2, 1998, as the first date she received a service. Based on her first date of service, her base quarter is October-December 1998. Her second subsequent quarter is April-June 1999. When her record is matched against the base wage file, she would be counted as retained for six months in the Job Retention Rate if earnings were found in each of the two consecutive quarters (January-March 1999) and (April-June 1999) following her base quarter. Her Earnings Gain would be measured by subtracting the earnings found in her base quarter (October-December 1998) from her earnings in the second subsequent quarter (April-June 1999) and dividing the result by the earnings found in her base quarter (October-December 1999).

The earnings obtained from the base-wage file will include earnings from multiple employers, if appropriate. The base-wage data does not include unreported earnings such as self-employment, earnings from federal employment sources, or other entities that are not required to report employee's wages and earnings to the State.

Follow-Up Interviews

In addition to the base-wage matching process described above, the State has contracted with the UCB Research Center to conduct post-employment telephone interviews of all Sector Type 3 and Sector Type 4 participants.

The telephone survey is designed to complement data obtained from the base-wage file and provides first-hand feedback from WtW participants. The data obtained from the telephone interviews is used only for informational purposes and is not reported to DOL or used to calculate any of the required performance measures.

Key elements of the WtW follow-up survey are provided below:

- Each month, the State compiles IPD for participants working in unsubsidized jobs (Sector Type 3 or 4) and provides this data to UCB.
- The UCB staff contact WtW participants by mail prior to the telephone interview to ensure the participant's availability and cooperation. If WtW respondents are not available at the time UCB initiates the contact, additional attempts will be made to reach the participant. The UCB accepts collect phone calls from WtW respondents seeking to complete the WtW survey.
- The UCB WtW Survey is a brief telephone interview that consists of ten questions related to the participant's employment status and his/her satisfaction with WtW services.
- The survey results are compiled by UCB for each SDA or subgrantee and transmitted to the State on a monthly basis. The results include the computed average earnings reported by participants, their employment status at the time of the interview, a breakdown (by percentage) of the reasons they cited for not working, and an average score on the customer satisfaction measures.
- It is anticipated that the results of the initial surveys conducted by UCB will be available in August 2000. The survey results will be loaded into the State's Job Training Automation (JTA) system on a monthly basis and made available to SDAs and subgrantees at that time. Programming changes are currently being made to the JTA system so that survey results can be electronically transmitted to local JTA systems through future JTA system change releases. Instructions for accessing the survey results will be issued once the programming changes have been completed and the process is fully operational.
- Our initial discussions with UCB staff indicate that the WtW population tend to frequently change residents, speak languages other than English, and change home telephone numbers or have their telephone service disconnected. For this reason, SDAs and subgrantees should continuously update the contact information on the WtW Application/Registration form. Specific data elements that need to be frequently updated are the Residence Phone (Field 08), Limited English-speaking (Field 30), and the Remarks section. Languages other than English or Spanish should be identified in the Remarks section.

Please ensure this information bulletin is shared with your WtW Management Information System and reporting staff. If you have any questions regarding performance measures or the WtW follow-up survey, please contact Ed Flores, Data Analysis Unit, at (916) 654-8298. Questions regarding the JTA system should be directed to the JTA Help Desk, at (916) 653-0202. All other questions should be directed to your assigned WtW program manager.

/S/ BILL BURKE
Chief